

**NWX-US DEPT OF COMMERCE**

**Moderator: Kim Brown**  
**September 17, 2013**  
**9:00 pm CT**

Coordinator: Welcome, and thank you for standing by. All participants have been placed on a listen only mode until the question and answer session. To ask a question, please press star one on your touchtone phone. Today's call is being recorded. If you have any objections, please disconnect at this time.

I would now like to turn the conference over to Mr. Michael Cook. You may begin.

Michael Cook: Good morning. I'm Michael Cook, Chief of the Census Bureau's Public Affairs and Media Events Staff. I would like to welcome everyone listening in on the phones today and following the Webinar on their computer. Today we are releasing our national estimates on income, poverty, and health insurance coverage from the annual, social, and economic supplement of the current population survey pertaining to the 2012 calendar year.

Here's our program for today's Webinar. First, we're pleased to have Mr. David Johnson, the Chief of our Social, Economic, and Housing Statistics Division. He will be discussing the findings. As always, during our news

conferences once the presentation concludes, we will open the floor to questions from reporters on the phones.

Let me point out that our homepage -- Census.gov -- we will momentarily post a variety of resources to assist you in doing your stories. Click on the slider at the top of the page, and you will be sent to an electronic press kit pertaining to those Webinar slides, the news release and links to detailed tables, the full report, and fact sheets providing background information on the sources of income, poverty, and health insurance statistics.

So without further delay, let me present Mr. David Johnson.

David Johnson: Thank you, Michael. And good morning and thank you for joining us. I'd like to begin by thanking all the census staff here and in the building who helped prepare this report, especially the field data collectors and especially those of you who are listening if you happen to be a respondent to our surveys, without accurate responses from you, we would not have the quality statistics that we release today.

Let me summarize the main findings from each of the three subject areas. Real median household income in 2012 was not statistically different from the 2011 median. The 2012 official poverty rate was 15%, and the number of people in poverty was 46.5 million -- neither statistically different from last year. And the percentage of people without health insurance coverage decreased to 15.4% in 2012 -- down from 15.7% in 2011, while the number of uninsured in 2012 was not statistically different from 2011 at 86 million.

For the previous four years, either poverty increased or median household income decreased, or poverty increased and income decreased. In 2012, for

the first time in five years, neither median household income decreased nor the percentage of the population of poverty increased.

As you can see from these charts, over time poverty and income tend to mirror each other. When income falls, poverty tends to go up. Some years, the change from one estimate is statistically significant, while the change for the other is not. For the first time since 1992, the year-to-year changes for both estimates were not statistically significant.

Right now, I'm going to give more details about the changes we observed in income. Top half of this chart shows median household income from 1967 to 2012 in real inflation adjusted dollars. Recession -- as defined by the National Bureau of Economic Research -- are depicted in this -- as in all times (unintelligible) charts -- in light blue shading. Real median household income was \$51,000 in 2012 -- not statistically different from the 2011 median, \$51,100. Since 2007, the year before the most recent recession, median household income has declined 8.3%, and was 9% below its all time high achieved in 1999.

Looking at a couple of household demographics, this next chart shows household income by age of householder for 2011 and 2012. Notice the hump shape pattern showing how income's changed over our lifetime. With householders age 15 to 24 having the lowest income, and household maintained by householders age 45 to 54 having the highest income. That holds true for most characteristics of households.

The changes in real median income between 2011 and 2012 by age of householder were not statistically significant. We can use this pattern by age of householder to show the changes across generations. This slide shows the real median household income by age of householder from 1982 to 2012.

When comparing these two years, we see a similar hump shape pattern over the lifetime. This 30-year gap allows us to compare two generations of households. Basically, each pair represents the current generation and their parent's generation 30 years ago.

For example, the current cohort of 45 to 54 year olds have 3.9% more household income than did their parent's generation 30 years ago when they were 45 to 54 years old. Alternatively, the children of the 45 to 54 year olds who are 15 to 24 year old now are no worse off, nor better off than their parents were 30 years ago.

Next, we show household income by race and Hispanic origin. Among the race groups, Asian households continue to have the highest median income at \$68,600 in 2012. The median income for non-Hispanic white households was \$57,000, and for black households it was \$33,300. Hispanic households had a median income of \$39,000. Between 2011 and 2012, the changes in real median income household by race and Hispanic origin were not statistically significant.

Real median household income for race and Hispanic origin groups have not yet recovered to their 2007 levels. Household income in 2012 was 6.3% lower for non-Hispanic whites, 11.3% lower for blacks, 6.2% lower for Asians, and 8.9% lower for Hispanics. Comparing the income of non-Hispanic white households to that of other households, shows that in 2012, the ratio of Hispanic to non-Hispanic white income was .68, while the ratio of black to non-Hispanic white income was .58 -- a fall from 2007 when it was .62.

While the median represents one point on the distribution of household income, the point at which half the households' income below it and half

above it, other points along the distribution provided additional information about the nation's household income distribution. For example, at the 10th percentile, 10% of households had income below \$12,200. And at the 90th percentile, 10% of households had income above \$146,000. And the 95th, 5% had incomes above \$191,200.

Changes in the relationship of these income measures could indicate how income inequality is changing. None of these percentiles showed a statistically significant change between 2011 and 2012. And there was no change in inequality. In 2007, however, the 10th percentile income fell 9.1%, while income at the 90th percentile fell only 3.1%.

To evaluate income inequality, we need to evaluate the entire distribution of income shown here, for the concentration of families and individuals in the middle and a long tail at the high end. In addition, we convert all individuals and families to similar sized families as many of the low-income households are single person households. We use family and individual incomes that are family size adjusted or equivalence adjusted -- a method that considers the sharing of resources in the economy as a scale.

Family size adjusted income is based on income relative to a four person -- two adults, two child -- family. For example, a family size adjusted income for a single person living alone with \$10,000 would be comparable to \$21,600 for a four-person family. You can see the various family size adjustment factors at the bottom of the slide. After adjusting for family size, the median -- on the basis of a four-person family -- is higher than the household median at \$66,000, while the 10th percentile, \$17,000 and the 90th percentile, \$176,000. Families, the top 1% income is \$445,000.

We can evaluate the change in inequality by looking at the average annual change in the family size adjusted income for each quintile. We see that these changes are different for their various decades. For example, between 1969 and 1979, the increases in income for the top quintile is not statistically different to those for the middle three quintiles.

While between 1979 and '89, the top quintile shows a larger increase in income as compared to the bottom four quintiles, displaying a sort of staircase pattern and indicating an increase in inequality. From 1989 to 1999 period, also shows a larger increase for the top quintile, and the most recent period -- from 2007 to 2012 -- shows a return to the staircase pattern, with the bottom three quintiles experiencing larger decreases than the top quintile.

These next slides switch from household income to earnings and work experience for people 15 and older. This slide shows the number of workers historically by work experience. Between 2011 and 2012, the number of men working full time, year around with earnings increased by 1 million, while the change for women was not statistically significant. Working men and women with earnings regardless of work experience, the number of men increased 1.6 million and the number of women by 1.1 million.

Here we see the historical data on real median earnings and female to male (unintelligible) of full time, year round workers from 1960 to 2012. In 2012, the median earnings of men was \$49,400, and for women, \$37,800 -- both not statistically different from the respective 2011 median. In fact, neither gender experienced a significant annual increase in median earnings since 2009. Female to male earnings ratio was 77% in 2012 -- not statistically different from 2011. The ratio of women's to men's earnings differs by age.

This slide shows the real median earnings of full time, year around workers in 2012 for both men and women, and shows that the two younger age groups have higher female to male earnings ratios than the 45 to 64 year old -- 88% for the youngest ages and 81% for the 25 to 44 year olds.

Now, I'll take a look at poverty. This slide shows the number of people in poverty at 46.5 million in 2012, and the poverty rate at 15%. In 2012, a family with two adults and two children was categorized as in poverty if their income was less than \$23,283. For the second consecutive year, neither the poverty rate nor the number of people in poverty were statistically different from the previous year.

Here we demonstrate the disparities and poverty trends across the race and Hispanic origin groups. The 2012 poverty rates were 9.7% for non-Hispanic whites, 27.2% for blacks, 11.7% for Asians, and 25.6% for Hispanics. And none of these estimates were statistically different from the 2011 estimate. Poverty rates per blacks and Hispanics were more than double the poverty rate for non-Hispanic whites.

This slide looks at poverty rates by age. The poverty rate in 2012 for children under age 18 was 21.8%. The poverty rate for people aged 18 to 64 was 13.7%, while the rate for people aged 65 and older was 9.1%. And again, none of the rates for these age groups were statistically different from their 2011 estimates.

This slide breaks down working age adults into four categories. Poverty rates for the younger adults were higher than the poverty rates for the older group -- age 45 to 64. In between 2007 and 2012, poverty rates rose for each of the four age groups. The poverty rates for those aged 25 to 34 and 35 to 44 increased more than the poverty rates for the oldest group -- age 45 to 64.

Another way to look at inequality is to compare the distribution of all people within five ranges of income to poverty ratios. One can see here the diminishing share of people in the two middle groups of the distribution, implying an increase in income inequality. Since 1967, the percentage of people with income between 200% and 400% of the poverty threshold has decreased from 40.6% to 30%. And the share the population with income between 100% and 200% of the poverty threshold also went down from 26.9% to 19.3%.

And over the same period, the shares of the population of the top and bottom groups increased. However, if we look at these trends before and after 2007, we see a different pattern. Over the earlier period, the shares of the population, the top and bottom groups increased, while shares of the population in the middle three groups fell. Since 2007, the shares of the population the top two groups have declined, while the shares in the population other three groups increased.

The income and poverty estimates in this report are based solely on money income before taxes and used the poverty thresholds developed 50 years ago. In 2009, the Office of Management and Budget's chief statistician formed a (unintelligible) technical working group. This group provided the Census Bureau and the Bureau of Labor Statistics a set of observations to serve as a roadmap in the development of a Supplemental Poverty Measure or SPM.

The new measure will not replace the official poverty measure and will not be used to determine eligibility for government programs. The new measure uses thresholds derived by BLS from the Consumer Expenditure Survey with separate thresholds for renters, homeowners with a mortgage, and those who

own their homes free and clear. Thresholds are adjusted for geographic differences in housing costs.

The income measure takes advantage of new questions in the current population survey, adding estimates of the value of nutritional, housing, and (unintelligible) assistance, and tax credits, and subtracting estimates of child support paid, child care paid, other work expenses, payroll and income taxes, and medical, out of pocket expenditures.

The SPM poverty estimates were released last November. The new SPM estimates for 2012 will be released on Wednesday, October 30. This slide compares these SPM poverty estimates from 2011, with the official poverty estimates for all people and by age group. As you can see, the SPM poverty rate for the entire population was 16.1%, 1 percentage point higher than the official rate. And looking at the specific age categories, the SPM poverty rate was lower than official rate for children, but higher than the official rate for those aged 65 and older.

One important contribution that the SPM provides is allowing us to gage the effectiveness of tax credits and transfers in alleviating poverty. We can also examine the effects of non-discretion expenses such as work expenses and medical, out of pocket spending.

This table shows the incremental impact on the 2011 SPM poverty rate of the addition or subtraction of a single resource element. Some of these elements -- such as social security and unemployment insurance -- are included in the money income measure used in the official estimates. However, other elements -- such as Supplemental Nutritional Assistance Program or SNAP benefits and refundable tax credits -- are included only in the SPM resource measure.

Using this chart, we can see that social security benefits reduced poverty by 8.3 percentage point. Refundable tax credits -- including the ITC -- reduced the poverty rate by 2.9 percentage points. SNAP benefits or food stamps reduced the SPM poverty rate by 1.6 percentage point. However, subtracting medical, out of pocket expenses from income increased the SPM poverty rate by 3.4 percentage point.

The estimates for 2012 will be released at the end of October with the SPM report. In the report we release today, we estimate the impact for 2012 of social security, unemployment insurance, and SNAP benefits, using the official threshold. For example, in 2012, adding the value of SNAP benefits to money income would have decreased the official poverty rate by 1.3 percentage points.

Returning to health insurance, our main finding is that the uninsured rate decreased to 15.4% in 2012. Comparing 2007 and 2012, the uninsured rate decreased from 14.7% to 15.4%, while the number of uninsured increased from 44.1 million to 48 million.

This chart shows the uninsured rates by age from 1999 to 2012. We chose some of these particular age groups as they are of special interest because of changes in the law. Children under the age of 19 are eligible for Medicaid and Children's Health Insurance Program -- or CHIP. And individuals aged 19 to 25 may be a dependent on a parent's health plan.

The uninsured rate of children under age 19 decreased in 2012 -- down to 9.2%. The remaining age groups had no significant difference in their uninsured rates between 2011 and 2012. From 1999 to 2010, the uninsured rate for those aged 19 to 25 was higher than the rate for those aged 26 to 34.

From 2009 to 2012, the uninsured rate for those aged 19 to 25 decreased, while the uninsured rates for those aged 26 to 34 were not statistically different, hence the uninsured rates for these two groups were no longer statistically different from each other in 2012 at 27.2%.

Here we can see the types of health insurance coverage. In 2012, the percentage of people covered by private health insurance was not statistically different from 2011. This was the second consecutive year that the percentage of people covered by private health insurance was not statistically different from the previous year's estimates.

The percentage of people covered by government health insurance program -- which includes Medicaid, Medicare, CHIP, and military coverage -- increased for the sixth consecutive year to 32.6% in 2012. The increase in public coverage and no statistical change in private coverage may account for the increase in overall coverage.

This chart focuses on uninsured people by race and Hispanic origin. Compared with 2011, the uninsured rate decreased for Asians and Hispanics in 2012. The uninsured rates for non-Hispanic whites and blacks in 2012 were not statistically different from the rates in 2011. Comparing 1999 and 2012, the uninsured rate went up for non-Hispanic whites from 9% to 11%, while it decreased for Asians and Hispanics, and blacks did not have a statistical difference when comparing 1990 and 2012.

Here we turn to look at total median medical, out of pocket spending for families for 2011 and 2012 by the type of coverage. Medical, out of pocket spending is a part of the new supplemental poverty measure, because the family medical, out of pocket spending represents a burden on financial resources. This burden is related to type of health insurance. For example,

those who have private coverage in 2012 had a median family burden of \$3700, which is an increase from 2011. The median spending also increased for families with at least one individual covered by government insurance.

Here we look at the median medical, out of pocket non-premium spending, such as co-pays and over the counter items by health status. Regardless of the type of coverage that an individual may have, those with excellent or very good health spend significantly less than those with fair or poor health.

That concludes my part of the presentation. Next Michael will open the phone lines for questions from the media.

Michael Cook: Thank you, David.

Operator, we're ready for questions at this point. We will open the discussion for questions from media. We ask, as usual, that media state your name and your media affiliation, and we want to ask or give everyone an opportunity to ask their question. So we'll allow one question and then one follow-up question.

Bear in mind that our staff can arrange for interviews after the news conference. You may obtain further information by calling us 301-763-3030. Operator, do we have anyone in the queue?

Coordinator: As a reminder, if you would like to ask a question, please press star one on your touchtone phone. You will be prompted to record your name. To withdraw your request, you may press star two and one moment for the first question.

The first question is from (Alex Lane) with Bloomberg News.

Michael Cook: Hi, (Alex).

(Alex Lane): Hi, thanks for taking the question. This is about the health insurance portion of the report. Do you know yet after the Affordable Care Act is fully in place, whether you'll classify coverage under the next exchanges as private or government?

David Johnson: Thanks, (Alex), for the question. I think we're looking into the ways we're going to adjust the surveys to collect information about the exchanges. We don't know exactly how we're going to collect the information from respondents, since it doesn't really start until later this year. The new surveys will go out in 2014. So we won't have, again, a lot of this information probably until the 2015 data.

(Alex Lane): Thanks.

Coordinator: Thank you. The next question is from Phil Galewitz with Kaiser Health News.

Michael Cook: Hi Phil.

Phil Galewitz: Thanks for taking my call. Last year you saw a good drop as far as in young adults with coverage. Any reason why we didn't continue to see that in the 2012 numbers?

David Johnson: So again, a lot of the changes that occurred with the legislation occurred earlier in 2009 and '10 so that's why you can see a drop in the uninsured rate for the 19 to 25 year olds. I think that's the main reason why (unintelligible) previous years.

Phil Galewitz: So the impact was already felt before?

David Johnson: I think that's pretty much what we would interpret.

Phil Galewitz: Good, thank you.

Coordinator: Thank you. The next question is from Antonieta Cadiz with La Opinión.

Michael Cook: Hi, Antonieta

Antonieta Cadiz: Hello good morning, can you hear me?

Michael Cook: Yes, we can hear you loud and clear.

Antonieta Cadiz: Okay, great. Thank you very much for taking my question. I was wondering overall how far is this Hispanic population from the 2011 levels? And I am asking this because we are trying to figure out how far are Latinos for the recovery. And I notice in the presentation that you point out a lot 2007 levels at the recovery level. So I was wondering if you can elaborate a little bit more on that.

David Johnson: So I'm sorry, you're referring to the levels of income?

Antonieta Cadiz: Overall, because overall, you know, 2007 was a year where the Latino population was in certain levels in a good shape, we can say. They had more income. They had more coverage. The poverty level was better. So I was wondering how far are Latinos from that today from the numbers that we have today.

David Johnson: Okay, so I mean you look at slide eight where you look at the median household income by race and Hispanic origin. And you can see that between 2007 and 2012, household income for non-Hispanic whites fell 6.3% while household income for Hispanics fell 8.9%. So they fell a little more than the fall in the non-Hispanic whites.

Antonieta Cadiz: And do you see us...

David Johnson: Sorry, you can see the same thing if you look at the poverty slides, you'll see an increase in poverty for all groups as compared...

Antonieta Cadiz: And I'm wondering also if you see a trend of improvement or do you see these numbers kind of falling apart or just being freeze by time and not recovering at all, or do you see them improving from the recession until now for Latinos?

David Johnson: So it's hard to say because we can't - when you look at the incomes, you look at the ratio, right? The key would be the ratio of the Hispanic income to the non-Hispanic white income. That ratio didn't change for Hispanics, however, it did fall for blacks. So and you could think about that how you would.

Antonieta Cadiz: Okay, thank you.

David Johnson: Thank you for your questions.

Coordinator: Thank you. As a reminder, if you would like to ask a question, please press star one on your touchtone phone.

The next question is from Clara Ritger with National Journal.

Michael Cook: Hi, Clara.

Clara Ritger: Hi, thank you. Could you just go over what is statistically significant about today's data?

David Johnson: So I'm sorry, you want to know the - so if you go to the report, right? And you look at the different tables -- there's an income table and a poverty table -- and I think the main asterisks there is on like income in the West and poverty in the West. However that, if you look at the past couple of years, it changed significantly last year and changed significantly back this year. So it's not clear. We would say it's a really big change.

And otherwise, there's not much there in terms of changes. The big changes are in health insurance. So if you look at the health insurance table, you'll see a fall in the uninsured rate and falls for different groups in the uninsured rate. I think that's probably the most significant changes from '11 to '12 in the report.

Clara Ritger: Great, thank you.

Coordinator: Thank you. The next question is from Becca Aaronson with the Texas Tribune.

Michael Cook: Hi Becca.

Becca Aaronson: Hi, thanks for taking my question. I was looking at the state specific data that's included in the tables. And of course, Texas still as the highest rate of uninsured based on this information. Could you kind of speak to that and why changes might not have been - why there wasn't a statistically significant change in Texas compared to other regions?

David Johnson: So I think the best thing to do for the state data is later on today we will have an embargo on the American Community Survey. And they'll release those data on Thursday. And there, you'll be able to look at not only Texas state data, but the metro areas in Texas and the counties across Texas to see how those changes in insurance are occurring within the state. And Texas has often had the highest uninsured rate throughout the country.

But I think the big thing is by using the data that'll come out later, you'll be able to just aggregate that across the population in Texas and across the different geographies in Texas to better understand that.

Becca Aaronson: Okay, great. Thank you.

Coordinator: Thank you. And the last question is from Chris Snowbeck with the Pioneer Press.

Chris Snowbeck: Hi, just had another question on the state level, uninsured numbers. So what's the best way to look at changes over time? Is it the two-year average for states?

David Johnson: So again, to look at the current population survey per state, you would need to use two-year averages. So that's why we would recommend if you're going to look at the sub national estimates, you look at the American Community Survey, which will be out later this week. And you'll get a better way to gauge the changes across the states.

Chris Snowbeck: But what can be - I mean what does the two-year average tell you, I guess?

David Johnson: Well, so if you use a two year average, again, you're going to look at - you're going to have two - to really look at it you have to use two non-overlapping

periods, and then it's not going to be as timely - the 2011 and the 2012 data won't be as timely as looking at changes. I'm going to give you some indication of the change.

Chris Snowbeck: Okay, thanks.

Coordinator: Thank you. And I do have one more question from Julie Rovner with NPR.

Julie Rovner: Hi, thanks for taking my question. I just wanted to make sure I'm reading this right. So it looks like there is a slightly statistically significant decline in the percentage of people who are uninsured and that seems to be due to an increase in government coverage, particularly Medicaid. Is that correct?

David Johnson: I think it's both Medicare and Medicaid when you look at the increases, when you look at the tables in the back of the report.

Julie Rovner: And in Medicare, that would be presumably be that this is the start of the wave of Baby Boomers, right?

David Johnson: I think that's a lot of it, yes.

Julie Rovner: Okay.

David Johnson: And a lot of the Medicare is joint coverage with other private coverage.

Julie Rovner: Thank you.

Coordinator: Thank you. And I'm showing no further questions.

Michael Cook: Great. This wraps up our presentation for today. But first, I'd like to direct some attention to several key topics or products coming out in the next several weeks.

As David mentioned earlier, to our the callers starting at 2 pm eastern time today results from the 2012 American Community Survey will be available under embargo for publication. On Thursday, September 19 we'll be looking at embargo at 12:01 am. This data set will provide single year estimates of median household income, poverty and health insurance coverage for all states and counties, places and other geographic units with populations of 65,000 or more, along with estimates for numerous social, economic, and housing characteristics, including language, education, the commute to work, employment, mortgage status, and rent.

In addition to the statistics available from the American Fact Finder, data tool a set of analytical briefs with American Community Survey Statistics will be available on income, poverty, and health insurance coverage. Furthermore, a set of news releases will be available including highlights for 25 selected metro areas. And if you go to our newsroom on Census.gov and take a look at the media advisory that we put out, you'll see all of the 25 metro areas that will be part of that selected highlighted release.

Additionally, the American Community Survey estimates will be released later this fall. On October 24 we will publish three-year estimates -- a compilation of statistics for 2010 to 2012 for geographic areas of 20,000 population or more. On December 5, we will release estimates aggregating statistics over five year period for 2008 to 2012. These estimates will be available for all areas regardless of population size down to the (unintelligible) group.

Let me also mention two more upcoming releases. On October 30, we will release estimates for the 2012 Supplemental Poverty Measure. These compliment, but not replace the official poverty estimates we've released today. They are intended to better reflect contemporary social and economic realities and government policy effects and thus provide a further understanding of economic conditions and trends.

Finally, in November, we will publish our small area income and poverty estimates for 2012, which represent income and poverty estimates for all counties and school districts using only one year of data.

With that, I'd like to thank Mr. David Johnson for making himself available today and participating in today's event.

If you have any additional questions, I ask that you give us a call at the public information office by dialing 301-763-3030. And I'd like to also urge you to visit Random Samplings -- the official Census Bureau blog. We have posted an entry that digs deeper into the income and poverty findings we've just released today. In the next hour, we will post a similar blog on the health insurance statistics. You will find links to the blogs in the lower right hand corner of our homepage.

And with that, I'd like to thank everybody for joining us for our news conference today. This concludes our conference and remember, general public, you can call our customer service center by dialing 1-800-923-3882 or 301-763-INFO. And we ask the media to give the public information a call at 301-763-3030. Thank you everyone.

Coordinator: Thank you. This does conclude today's conference. Thank you for joining. You may disconnect at this time.

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